

Exploration of Livelihoods in Bangladesh: A Focus on Addressing Extreme Poverty

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Once famously described as the world's "basket case," Bangladesh has in the last 20 years experienced some of the most dramatic declines in extreme poverty. A hub for development successes in the region, Bangladesh's experience now has much to offer the world – from innovative models of livelihoods development that originated here, to lessons on how government and civil society can work together to address the complexities of driving down extreme poverty.

Introduction

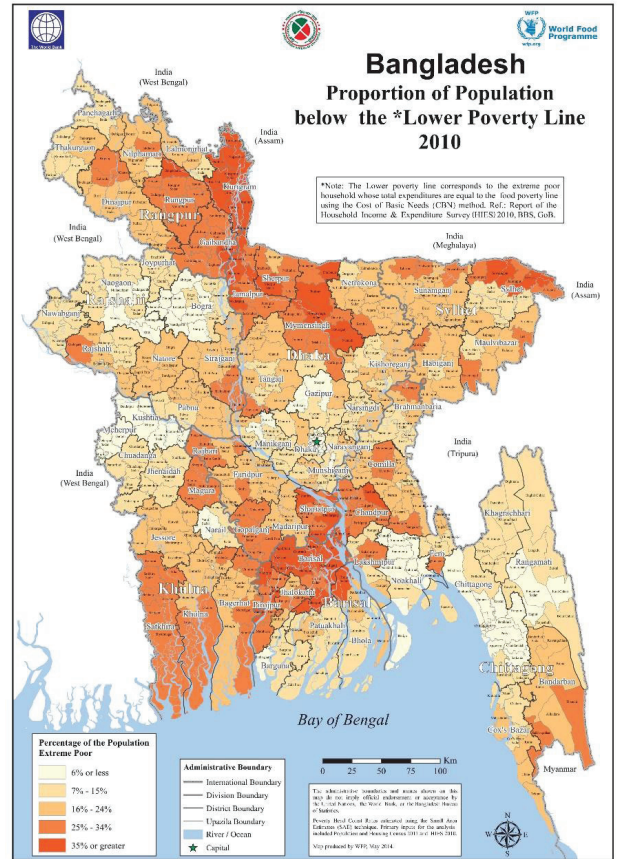
With a rich culture and heritage, this civilisation dates back more than 4,300 years¹. Surrounded by India on its northern, eastern and western borders, and Myanmar to its southeast, Bangladesh connects the fertile *Ganges-Brahmaputra* delta. Ethnically Bangladesh is predominantly Bengali, which accounts for about 98 per cent of its population, with the rest belonging to Chakma, Marma, Santal, Garo, Manipuri, Tripura, and Tanchangya communities². The majority of the population are Muslim (87%), followed by Hindu (12.1%), Buddhist (0.6%), Christian (0.4%), and others (0.3%)².

With a population of over 156.6 million people, its population density of over 1,200 people per square kilometer is one of the highest in the world⁴. Bangladesh ranks 142 among 187 countries in the *Human Development Index (HDI)* with 70.7 years of life expectancy at birth, 5.1 years of average schooling, and USD 2,713 gross national income (GNI) per capita, placing itself among countries considered to have achieved medium human development⁵.

In the very inception of independence in 1971, Bangladesh endured high rates of poverty and famine but the situation has improved immensely in recent years. Notably, in 2012 Bangladesh successfully met the *UN Millennium Development Goal (MDG)* on halving the population living below the poverty line (persons living on USD 2 per day or less), from 56.7% to 29%⁵. According to the *MDG Progress Report 2015*, the current poverty headcount ratio for Bangladesh is estimated around 24.8%⁵. While the last decade alone has seen a staggering 16 million people move out of poverty—a drop from 48.9% in 2000 to 31.5% in 2010⁶—47 million remain in poverty. Of those, 26 million continuing to live in extreme poverty (see sidebar 1 for definition)³⁶.

Poverty mapping based on the *Household Income and Expenditure Survey (HIES)*⁷, a joint initiative of the *Bangladesh Bureau of Statistics (BBS)* and the *World Bank*, show that Rangpur and Barisal divisions have the highest incidence of poverty, while Chittagong and Sylhet have the lowest incidence (see map 1)⁸. Because of their overall populations, Dhaka division (32.3%) and Chittagong division (16.8%) have the highest share of Bangladesh's poor⁸. Compared to other divisions, Sylhet has both the lowest poverty rate (25.1%) as well as the lowest number of poor people (5.7% of the country's poor)⁸.

According to the *Seventh Five year Plan of Bangladesh*, in 2010, 17 per cent of the population were living in extreme poverty nationally compared to 25.1 per cent in 2005³⁶.



The poverty maps were prepared by the Bangladesh Bureau of Statistics, the World Bank, and the World Food Programme. The printing and dissemination of the maps was funded by IFAD.

Map 1: Proportion of population below the "lower poverty line"

Box 1: Definition of Poverty, Extreme Poverty and Ultra Poverty

Poverty: Understood by the World Bank as those living on or less than USD 2 per day, PPP*, as set by the World Bank

Extreme poverty: Individuals living on or less than USD 1.25 per day**, PPP, as set by the World Bank

Ultra poverty: Individuals living on or less than USD 0.80 per day, PPP, who consume below 80% of their caloric requirements and spend at least 80% of their income on food.

*PPP: Purchasing power parity (i.e. the equivalent purchasing power of \$1.25 in the US in 2005)

** To be consistent with understandings of poverty when programmes were designed these definitions do not take into account the updated World Bank poverty level announced in October 2015 which sets the new extreme poverty line at USD 1.90 per day, PPP

The 47 million people still living in poverty as of 2010 have a similar profile to poor populations in other South Asian countries, including¹⁰:

- low levels of education,
- limited access to land, and
- Limited formal employment opportunities and large labour surplus of low skill workers.

Poor infrastructure coupled with limited access to modern amenities and services contribute to poor living conditions across Bangladesh. Poverty disproportionately affects women, particularly widowed, divorced or separated female-headed households who face a considerably higher incidence of poverty relative to others¹⁰.

Explaining Bangladesh's Poverty Reduction

Economic Trends

During the 1990s a shift in the composition of the labour force away from farm to non-farm employment in rural areas played a crucial role in changing the dynamics of poverty alleviation and growth. Declines in poverty were also seen to have resulted from a further shift in non-farm employment, away from small-scale low productivity self-employment to higher productivity, large-scale enterprises and non-farm wage employment (Toufique and Turton 2002; Mahmud 2006).

Despite these trends, Bangladesh is still heavily dependent on agriculture. Around half of the population is directly employed in agriculture and around 70 per cent of people depend on agriculture in one form or another for their livelihood¹¹. Beyond agriculture, the services sector, foreign remittances and ready-made garment (RMG) sector are major contributors to the national economy. The RMG sector alone employs around 4.2 million people of which 80% are women¹². Mostly, employees in the RMG sector are wage labourers. However, most wage labour, especially for men is found in the services industry, such as transport, retail and telecoms.

Expansion of Financial Services for the Poor

Since the birth of the modern microfinance industry in Bangladesh in the 1970s, the emergence of micro-credit and savings has played a critical role in supporting both rural and urban livelihoods. In areas with underdeveloped markets, and zero access to capital for the poor, microcredit stimulated enterprises and self-employment, whilst also helping households to smooth consumption and build resilience to financial shocks such as poor crop yields, loss of employment, medical expenses or a natural disaster. By focusing on providing access to women, microfinance providers made crucial advancements in gender equality whereby women were able to access non-farming based self-employment¹³, and female group members became more confident about making financial decisions that would benefit the whole household.

In Bangladesh's mature microfinance market, pioneers like Grameen Bank, BRAC, and ASA are joined by 700 other MFIs that each play a critical role in promoting and nurturing microfinance activities to help people to better manage their financial and personal lives. At the national level, it is estimated that in 2012 microfinance contributed between 5.7 per cent and 7.85 per cent to the country's gross domestic product (GDP)³⁷. Moreover, another analysis showed growth of the microfinance and ready-made garments industry played the instrumental role for Bangladesh to maintain a consistent GDP growth³⁸.

In spite of widespread coverage of microfinance institutions (MFIs) in Bangladesh, an estimated 75 million adults still remain financially excluded, lacking access to an account¹⁴. Part of this is a result of the complex needs of the extreme poor, whose vulnerabilities extend beyond just financial exclusion, but include poor nutrition, illiteracy, lack of skills, and lack of financial awareness.

Health and Education

Bangladesh has made significant progress in the last decade in reducing hunger particularly in reducing prevalence rates of underweight children, from 66% in 1990 to 32.6% in 2014⁵. Other contributing factors in the reduction of poverty are the drastic improvements in education enrolment particularly for girls, and community health care service delivery by government and civil society actors. The government facilitated large-scale implementation of schools and health services, enabling rapid expansion of access. Public-private partners to control diseases like tuberculosis have led to huge reductions in incidence and mortality. Community-based approaches to immunisation have also led to large reductions in infant and child mortality. Life expectancy is 70.1 years at birth compared to 66.1 years in 2009³⁹ and fertility rate is 2.2 per women in 2013 compared to 4.6 per women in 1990¹⁵. In education, Bangladesh has met the *Millennium Development Goals* on gender parity in primary and secondary schooling⁵.

Nevertheless, both the health system and education system require urgent improvements. There are only six hospital beds are available for every 10,000 people in Bangladesh¹⁶. Health insurance is virtually non-existent, and over 65 per cent of medical expenditures are paid out of pocket⁴⁰. Health shocks remain a common cause for households falling into deeper poverty⁴⁶.

Meanwhile in the education system, there is growing concern about the quality of teaching¹⁷ and persistently high primary and secondary school dropout rates. In spite of near universal primary enrolment and free education, the current dropout rate in the primary schools is around 21%.

Domestic and International Migration

Much of Bangladesh's economic growth has been concentrated in urban centres like Dhaka and Chittagong. Each year almost 2 million people migrate to urban areas in search of better employment opportunities¹⁸. This has put significant pressure on urban infrastructure and led to the rapid growth of urban slums and urban poverty. According to the *International Organisation for Migration (IOM)*, there is a significant link between environmental insecurity and urbanisation. 70 per cent of slum dwellers in Dhaka moved there after experiencing some kind of environmental hardship such as cyclones, flood, river erosion and droughts, many of which have a direct link with climate change. The current rate of urbanisation is estimated to be over 3 per cent annually¹⁹. It is estimated that by 2060, the population of Bangladesh will be 230 million and 70 per cent of people will live in urban areas²⁰.

Many labourers from rural areas migrate to urban areas seasonally or engage in local day labour opportunities, such as brickfield operations, to supplement their income. Research on domestic migration

has found that landless households, especially those with some education, have found that this provides higher and more reliable income than those earned from seasonal agricultural activities²¹.

The lack of rural employment opportunities also explains international migration and the large contribution of foreign remittances to the national economy. An estimated 8.6 million²² Bangladeshi migrants were working abroad as of June 2013 and this year Bangladesh has already received about USD 1.3 billion²³ in remittances. Most emigrants are semi-skilled and work for different organisations as wage labourers.

Seeking foreign employment is a relatively good economic option for rural people with some skill, due to the high demand for manual labour in developed countries. However these opportunities also come at the risk of exploitation by some agents that charge high fees which they pocket and provide fake travel documents in return. Moreover, due to poor monitoring of employers and lack of legal protections in many receiving states, many migrants face exploitation e.g. irregular wage, unsafe and extremely poor working condition⁴⁷. And in even some places organizations and government put restrictions on migrant's movements⁴⁷. Furthermore, due to the high costs of migration these opportunities are usually limited to households that are better off.

Both international and internal migration trends indicate a severe lack of livelihoods opportunities for people in rural areas. Meanwhile rapid urbanisation points to growing concerns about increasing urban poverty, livability of cities and the urgent need for increased investment in urban infrastructure.

In conclusion, Bangladesh's sustained economic growth and gains in social development over the last twenty years contain important lessons for other low-income countries in the region. The tremendous reductions seen in poverty and extreme poverty have been due to a combination of stable economic growth stewarded by the government, and increased access to social services led by a coordinated approach between government and international and local NGOs.

Table 1: Percentage Share of Income of Households by Sources of Income

	Total	Agriculture	Business and commerce	Professional wage and salary	Housing services	Gift and remittance	Others
National							
2010	100.0	20.44	19.66	35.55	7.27	13.62	3.93
2005	100.0	20.0	23.1	31.3	6.7	9.8	8.7
2000	100.0	18.0	25.9	29.4	7.8	10.9	8.0
Rural							
2010	100.0	29.73	15.05	29.57	5.18	17.28	3.16
2005	100.0	28.7	17.3	28.1	5.1	12.0	8.7
2000	100.0	25.5	22.4	27.7	5.0	11.0	8.4
Urban							
2010	100.0	5.56	25.75	45.14	10.63	7.75	5.15
2005	100.0	5.8	33.1	36.9	9.5	5.9	8.7
2000	100.0	3.7	32.4	32.6	13.1	10.6	7.5

Source: Household Income and Expenditure Survey 2010

Table 2 : Poverty Trends

Categories	2010			2005			2000		
	National	Rural	Urban	National	Rural	Urban	National	Rural	Urban
Upper poverty line head count (Cost of basic needs-method)	31.5	35.2	21.3	40.0	43.8	28.4	48.9	52.3	35.2
Lower poverty line head count (Cost of basic needs-method)	17.6	21.1	7.7	25.1	28.6	14.6	34.3	37.9	20.0
Less than 2122 kcal/person/day	n/a	n/a	n/a	40.4	39.5	43.2	44.3	42.3	52.5
Less than 1805 Kcal/person/day	n/a	n/a	n/a	19.5	17.9	24.4	20.0	18.7	25.0

Source: Household Income and Expenditure Survey 2010

The National Landscape for Livelihood Creation

Bangladesh's development gains have largely been made possible thanks to the supportive environment the government has created for non-governmental organisations, multilateral institutions, donor agencies, and other civil society actors to operate, and the government's effort to coordinate and act collectively with those actors. This cooperation towards shared objectives between stakeholders has enabled innovation and expansion of successful development initiatives.

The regulation of the microfinance industry is an important example of the role of the government in supporting provision of pro-poor services. The Microfinance Regulatory Authority (MRA) ensures a diverse market of over 700 socially driven MFIs. According to MRA regulations, microfinance providers cannot charge over 27 per cent interest (declining method), and all revenues must be re-invested into operations, preventing profit-seekers from entering the market. In other sectors, such as health and education, public-private partnerships are the norm. Much of the private delivery of education at the secondary level is financed by the *Ministry of Education*. Community health workers supported by NGOs often refer patients to government health facilities and help to mobilise villages during government immunisation drives.

Recognising the specific vulnerabilities of the ultra-poor, the Government of Bangladesh and several bilateral agencies have prioritized targeted programs. For example, in the highly vulnerable char areas, the government assisted UKAid in implementing the Char Livelihood Program.

In 2015, the World Bank approved USD 200 million of funding for interest-free credit to improve livelihoods of approximately 5 million poor people in the rural areas of Bangladesh for a project titled *The Nuton Jibon Livelihood Improvement Project*⁶. This project aims to benefit the rural poor in 21 of Bangladesh's 64 districts, building on the activities supported by its predecessor, the Social Investment Program project, which was piloted in 2003.

Broadly this project has three aims⁶:

1. Empower rural communities by providing support for livelihoods and access to market through business partnership.
2. Provide funding for small rural infrastructure and mobilize the poor and extreme poor people,

who often remain left out from microfinance schemes, by building and strengthening community institutions

3. Raise awareness about nutrition, share agricultural knowledge and continue focusing on creating youth employment opportunities.

Moreover, recognising food security as a key part of the solution to ultra-poverty, the government announced a major initiative to ensure food security by 2017. According a report by the ministry in 2010, Bangladesh met the national food demand with support from 14.845 million hectares of government farmland²⁴. Food security in Bangladesh has been supported by the World Food Programme (WFP), who have been working in Bangladesh since 1974. WFP have contributed more than 14.6 million tons of food over the past 34 years and have built around 4,000 km of drainage and irrigation canals, and 2,300 acres of water bodies for productive use²⁵.

Safety Nets

To date, safety nets remain quite limited in Bangladesh. Just 4 per cent for extreme poor, and 3.4 per cent for the moderate poor⁴¹ receive any safety net benefit. According to an *Institute of Microfinance (InM)* dataset, access to social safety nets had no effect on a household's ability to avoid erosive coping methods to shocks – i.e. methods that did not require households to draw from a house's wealth, depleting its assets. By contrast microcredit has been an effective non-erosive coping method⁴¹. Further work on expansion and design of safety nets is a potential area for significant impact.

Keeping the current gaps in safety net plan and to better tackle the issues of poverty the Government of Bangladesh recently launched the National Social Security Strategy 2015 (NSSS). This year the government aligned the social security strategy with the social development framework²⁶.

With an ambition to end extreme poverty by 2021, the *Seventh Five Year Plan* includes five key components to address the issue of extreme poverty more objectively³⁶. The plan outlined that sustained macroeconomic growth in the following areas would will play a pivotal role in extreme poverty reduction.

- Agriculture
- Rural non-farming sector
- Exports
- Remittances
- Urbanisation

Recognising that poverty can't be addressed through any one entity or approach, the plan also outlined the need to support the replication and/or expansion of innovative initiatives by organizations like BRAC, Shiree, Chars Livelihoods Programme (CLP) etc. that address extreme poverty. Moreover, the plan also put emphasis on the prevention of natural and manmade shocks, growing human development needs of the extreme poor, and inclusive social protection schemes for extreme poverty reduction.

The government's continuous efforts to reduce vulnerability, promote social cohesion and stimulate and support livelihoods have seen investments made into education, health services, food security, sanitation and water supply, financial services, gender empowerment, social inclusion of ethnic and religious minorities, disaster management and social security²⁶, together making a huge contribution to reducing poverty and extreme poverty in Bangladesh.

Major Donors

International donors have been instrumental to the progress of Bangladesh seen by helping to fund large-scale social development and infrastructure projects. A joint strategy was signed for 2010-2015 by the major donors such as the UK, the World Bank, Asian Development Bank, UN agencies, and the European Union (EU) agreeing in consultation with the Government of Bangladesh on donor focus areas (see table). As of May, 2010 in Bangladesh, UN Agencies have been taking the lead on livelihoods development and food security while the UK has led on poverty and social protection²⁷. For fiscal year 2015-16 UKAid allocated around USD 254 million for different projects with health spending taking up 22.03 per cent⁴².

Table 3: Areas of Joint Strategy Partners in Bangladesh (2010 - 2015)²⁷

UK	Aid effectiveness, Climate change and environment, Disaster and emergency relief, Education, Gender, Justice, Parliamentary support, Public financial support/management, Health, Nutrition and population, Urban sector
World Bank	Agriculture and rural development, Aid effectiveness, Climate change and environment, Education, Energy, Gender, Governance, Local government, Health, nutrition and population, Macroeconomics, Private sector development and trade, Transport and communication, Urban sector, Water supply and sanitation, Water resource management, and ICT-Digital Bangladesh
Asian Development Bank	Poverty, Agriculture and rural development, Aid effectiveness, Chittagong hill tracts, Climate change and environment, Disaster and emergency relief, Education, Gender, Governance, Local government, Public financial support/management, Civil service reform, Anti-corruption, Macroeconomics, Private sector development and trade, Transport and communication, Urban sector, Water supply and sanitation, Water resource management
European Union (EU)	Agriculture and rural development, Aid effectiveness, Chittagong hill tracts, Climate change and environment, Disaster and emergency relief, Education, Gender, Governance, Justice, Local government, Public financial support/management, Health, nutrition and population, and Private sector development and trade
UN Agencies	Aid effectiveness, Education, Gender, Governance, Local government, Public financial support/management, Civil service reform, Health, nutrition, and population, Private sector development and trade, Water supply and sanitation, Water resource management, and ICT-Digital Bangladesh

Pathways to Progress: Programs Addressing Extreme Poverty

Several important lessons have come out of Bangladesh's rapid reduction of poverty. First, early acknowledgements that mainstream financial and social services were failing to reach the poorest led to a renewed focus on finding models that targeted their unique needs. Secondly, actors have been careful not to treat the poor as a homogenous group, developing poverty strategies that have targeted approaches with significant local adaptation. Third, the complexities associated with poverty cannot be addressed by any one poverty intervention alone. Instead policymakers and practitioners have been mindful of the need for packaged services suited to local contexts. This comprehensive approach to development seen across Bangladesh has created a pro-poor ecosystem that fosters opportunity.

To illustrate these lessons, several specific initiatives by major development practitioners are detailed below. BRAC in particular was an early frontrunner on addressing ultra-poverty. Recognising the limits of microfinance to lift the ultra-poor out of destitution, the Targeting the Ultra Poor programme (TUP)²⁸

developed a model with multiple components designed to address the vulnerabilities faced by households in ultra-poverty. The model, which laid the blueprint for the now internationally recognised Ultra-poor Graduation Approach,²⁹ is one of several being employed by institutions both in Bangladesh and across the world to resolve the issue of ultra-poverty.

BRAC

Since its inception in 1972, BRAC has been working relentlessly towards lifting people from poverty through a holistic approach that includes microfinance, education, health, water and sanitation, legal services and women’s empowerment. This holistic model for social change is envisioned to give people from poor households the tools to realise their own potential and lift themselves out of poverty.

In the mid-1990s, BRAC’s internal evaluation team discovered that BRAC’s mainstream services such as microfinance were failing to reach the ultra-poor - a sub-segment of the extreme poor, who live on less than USD 0.80 per day, fail to meet their daily calorie requirements, are chronically ill, and live on the fringes of society. By 2002, BRAC had refined a model that was able to reach ultra-poor households and support participants to become healthy, socially and economically active citizens on a sustained path out of poverty. The model works with participants over the course of two years, at which point they are able to ‘graduate’ out of ultra-poverty, access mainstream development services, and continue to thrive.

BRAC employs two strategies, one that is entirely grant-based for the absolute poorest and one that combines a grant and soft loan for the slightly better off (see table for criteria).

The **Specially Targeted Ultra Poor (STUP)** strategy is especially designed to help build livelihoods of the poorest segment of the population and develop their human capabilities through a comprehensive package of interventions known as the **Special Investment Programme**. This includes full asset grants, life skills and enterprise development training, stipend, tailor made health care, intensive handholding and community support.

The **Other Targeted Ultra Poor (OTUP)** strategy represents groups which is marginally less deprived than the STUP, but are still firmly among the ultra-poor. OTUP members are supported by utilizing the **Grant plus Credit Support**, throughout a comprehensive package of interventions similar to that one of STUP with the exception of not providing assets, but supporting them by soft loans which is more flexible than conventional microfinance and monthly handholding support.

Table 4: Targeting Criteria in Rural Context

STUP	OTUP
<p>At least three of the following criteria will need to be met to be eligible:</p> <ul style="list-style-type: none"> • The household is dependent upon female domestic work or begging • Ownership of less than 10 decimals of land • No male adult active members in the household • Children of school going age have to take paid work • No productive assets in the household 	<p>At least three of the five criteria will need to be met to be eligible:</p> <ul style="list-style-type: none"> • The household owns no more than 30 decimals of land (homestead plus arable) • Could not send children to school after primary level • Dependent on seasonal/irregular income • Unable to make productive or effective use of NGO services in the past • Could not afford fish, meat or egg in any meal in past three days before the interview

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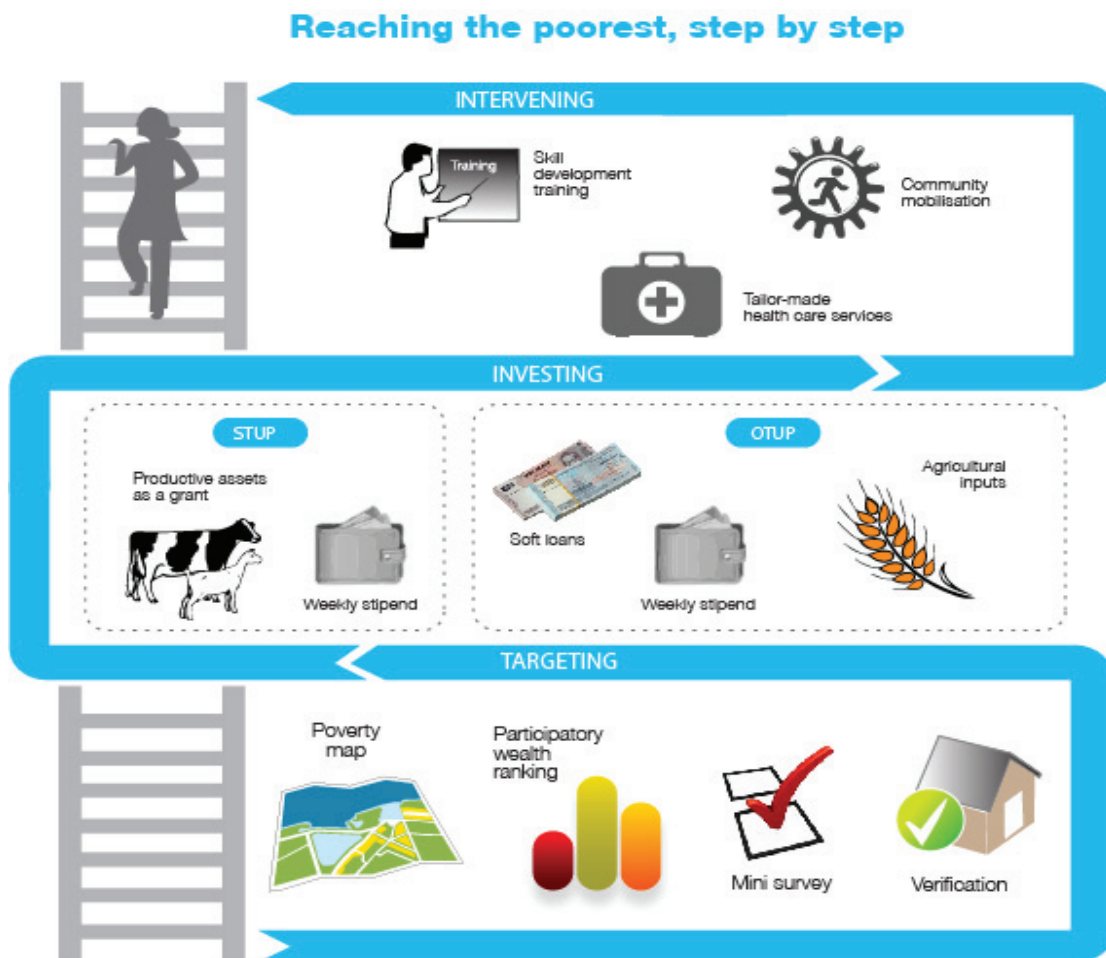
Ultra poor graduation

Graduation at the end of the two-year intervention is indicated through the following:

1. Graduating from ultra-poverty to a better economic and social condition (Indicators: positive changes reflecting food security, diversified income sources, asset ownership, improved housing, school enrolment and social acceptance)
2. Graduation into mainstream development programmes such as BRAC’s microfinance programme

The TUP programme introduces five steps that target the vulnerabilities associated with ultra-poverty, notably financial exclusion, lack of skills and assets, poor healthcare, and social marginalisation. Before the programme gets started, it is crucial for BRAC to carefully identify the most vulnerable in a community and ensure that the right people are targeted. Through a series of activities including a participatory rural appraisal (or focus groups, in the urban context), wealth mapping, and dialog, it also engages the community in the selection progress to initiate better social integration and support for participants. BRAC staff also conduct home visits to verify details on participants and their socioeconomic status prior to finalization.

Figure 1: Steps in TUP Approach



Designed to provide comprehensive household support, the TUP model includes several different components, such as:

Training: Programme participants receive a 3-5 day classroom training followed by interim refreshment courses; weekly/monthly home visits and training on how to use their asset; basic skills and literacy; general support and counselling. They also receive confidence building training before graduation.

Asset transfer: Programme participants receive a package of assets as a grant or a soft loan with which to procure assets (e.g. livestock, poultry, agriculture, horticulture, nursery, and small trading) and other related inputs for their enterprise.

Weekly stipends: A value of BDT 210 (USD 2.70) is provided each week either in cash or in-kind as food support. Participants receive the stipend until their investments start to generate return. The stipends are intended to help clients meet their consumption needs and avoid temptation to sell off assets in case they have immediate liquidity needs.

Savings: Participants are encouraged to deposit and track savings into a formal BRAC savings account, which helps to build up good financial behaviour and awareness.

Health services: Programme participants receive integrated healthcare support (preventative care guidance, health monitoring, treatment and/or health related information, primary care services, ante-natal and post natal supervision, referral etc.) with access to community medical workers, physicians and medication.

Though the programme is often described as an asset-transfer model, in reality its social dimensions are also extremely important. Social awareness education helps participants to gain awareness on different social and health related issues. To build up relationships within the wider community BRAC also sets up a local Poverty Reduction Committee, which meets once a month to hear about any issues the poorest members of the community may face. This helps to build confidence in participants that they are valued members of the community. The committee continues to meet beyond the end of the two-year programme and offer a support system for graduates once BRAC has left the area.

The Other Targeted Ultra Poor (OTUP) strategy represents groups which is marginally less deprived than the STUP, but are still firmly among the ultra-poor. OTUP members are supported by utilizing the Grant plus Credit Support, throughout a comprehensive package of interventions similar to that one of STUP with the exception of not providing assets, but supporting them by soft loans which is more flexible than conventional microfinance and monthly handholding support.

“Poverty causes stress and depression and lack of hope, and stress and depression and lack of hope, in turn, cause poverty.”-Esther Duflo, economist, Massachusetts Institute of Technology commenting on the graduation model.

Innovations for Special Contexts

Addressing urban ultra poverty

Around five million people live in Dhaka’s slums, comprising nearly 40 per cent of the city’s population. Since 2010 BRAC has been using an adapted model of the TUP program to address urban ultra-poverty, first in Dhaka, before expanding coverage to Chittagong and Khulna.

BRAC uses the same criteria to choose participants, with the additional requirement of two years of stable residency, since mobility is far higher in urban areas. While the major components of the programme remain the same, adaptations are made that take into account the realities of women slum dwellers. For example, assets and trainings provided tend to be more trade-based – participants can access extensive

enterprise training to help develop basic business acumen, complemented with linkages to the local market. Through partnerships with local health providers, participants are also introduced to nearby medical facilities and encouraged to take health care services from them independently.

Addressing Climate Change Related Destitution (ACCD)

Bangladesh’s coastal zone is home to around 35 million people who are vulnerable to falling into deeper poverty due to frequent cyclones ⁹. In 2012, BRAC launched a customized service under the model to best address the unique needs of these households. ACCD combines selected elements of STUP/OTUP packages with adaptations designed to increase the resilience against natural disasters. This includes training on early warning and coping mechanisms against disasters, promoting social forestry through homestead and roadside plantations, and building disaster-resilient housing where people can take shelter during any calamities.

Targeting the Ultra Poor-Nutrition (TUP-N)

Targeting the Ultra Poor-Nutrition (TUP-N) is a joint World Food Programmes (WFP) and BRAC initiative that targets ultra-poor households with women who are either pregnant and/or have children that are up to three years of age. This initiative aims to bring sustainable socio-economic improvements to the lives of young ultra-poor families and to prevent under-nutrition (measured through stunting) in the first 1,000 days of the children’s lives. This initiative is also testing the hypothesis that adopting lifecycle targeting (focused on pregnant and lactating women and children up to three years) and mainstreaming nutrition interventions into livelihood development programmes, would help to target the mutually reinforcing challenges of under-nutrition and poverty, and help prevent child under-nutrition. Operating since 2014, the programme is being implemented in Assasuni and Shyamnagar, two remote coastal sub-districts in Satkhira.

Impact

For the 2014 cohort of participants, the STUP and OTUP strategies cost approximately USD 500 and USD 300, respectively, per household for the two years of the programme. Since 2002, 95 per cent of the participant came through the programme have graduated from ultra-poverty⁴⁵. Crucially, studies have shown that this progress is sustained after clients graduate, placing clients on a path out of poverty.

STUP (Specially Targeted Ultra Poor) in rural and urban 2002-2015
No of women received assets (full grant base approach): 4.7 million
No of women received enterprise development training: 479,000+
OTUP (Other Targeted Ultra Poor) 2002-2015
No of women received soft loan: 1.1 million
No of women received enterprise development training and agricultural input: 1.1 million

External and in-house survey and research were conducted to analyse the effectiveness of the model in enabling a permanent move out of participants from extreme poverty.

- From 2002 to 2008 panel data survey on STUP participants shows, more than 95% of participants achieved graduation and were found maintaining their improved conditions even two years after the end of the programme cycle; improvement in ownership of assets increased from 41% in 2002 to 96% in 2008; food security vulnerability was reduced from 62% in 2002 to 19% in 2008.
- From 2007 to 2014, randomised controlled trial results show per capita real income (yearly) increased by 50 per cent. Consumption increased 25 per cent for fish and almost 100 per cent for meat.

- From 2012 to 2014 a short-term survey on OTUP participants showed a 40 per cent increase in productive assets and savings was found while consumption increased 23 per cent in pulses, 42 per cent in fish and 137 per cent in vegetables.

International Adaptation

The CFPR-TUP programme's achievements have brought wider attention towards it from different organizations in home and abroad. The programme has been adapted internationally by BRAC in South Sudan, Pakistan and Afghanistan. Championed as 'the graduation approach' by CGAP and the Ford Foundation, the TUP model was also piloted by externally in eight countries: Ethiopia, Ghana, Haiti, Honduras, India, Pakistan, Peru and Yemen, with remarkable impacts. The results of randomised controlled trials on six of the countries, published in *Science* earlier this found that 75 per cent to 98 per cent of the total participants met the country-specific graduation criteria⁴⁴.

Shiree

Inspired by the successes of BRAC and others in addressing ultra-poverty, the Department for International Development (DFID) together with the Government of Bangladesh (GoB) launched the Economic Empowerment of the Poorest (EEP) programme to address UN Millennium Development Goal 1 of eradicating extreme poverty and hunger by 2015. The project, named *Shiree: Stimulating Household Improvements Resulting in Economic Empowerment*⁵⁰ aimed to support and enable households to climb out of extreme poverty. The Shiree programme is worth over USD 135 million, allocated over an eight-year period from 2008-2016⁵⁰.

Working through NGOs

Shiree's project is delivered through 26 implementing partner NGOs that offer customised ultra and extreme poor programmes in different parts of Bangladesh. Shiree awards two types of funding to its partners through a fund challenge. The innovation fund is awarded to NGOs that design new approaches to reducing extreme poverty in urban and rural areas, and their scale up fund is awarded to NGOs to expand existing successful programmes.

Embedding an extensive monitoring and evaluation framework

Shiree uses an extensive monitoring tool⁵¹ to track the progress of the programme and provide mid-course correction as needed. All partner NGOs collect data at the household level on a smartphone that is available for real-time decision making. This enables Shiree to take its learnings from implementing extreme-poverty programmes with partner organisations and identify possible mis-targeting⁵². It then embeds that learning component into its next phase of implementation. Shiree's extensive monitoring framework allows them to understand their progress and impacts. They have also made this data available to external researchers for more extensive analysis.

Shiree has also developed a unique Change Monitoring System (CMS)⁵¹ platform which complements the monitoring tool in helping partners to understand the nature and dynamics of extreme-poverty in Bangladesh and the effectiveness of the various interventions being applied. This database now contains longitudinal information on their participant households across Bangladesh, making it one of the largest datasets on extreme poverty in the world, offering insight into overall trends down to the district level. Partner organisations also maintain their own dashboards that enable them to monitor activities in detail.

Making extreme-poverty a national priority

To make sure that extreme-poverty is a national and global issue, Shiree from its inception has focused strongly on advocacy. With its *Manifesto for the Extreme Poor*, Shiree is helping to make extreme poverty a central part of the national agenda³³.

Chars Livelihoods Programme (CLP)

The Chars Livelihoods Programme (CLP) is jointly funded by UKaid through the Department for International Development and the Australian Government (AusAID), sponsored by the Government of Bangladesh (GoB), and managed through Maxwell Stamp Plc. CLP works with extreme poor households living on chars (riverine islands) in northwest Bangladesh and aims to improve the livelihoods of over one million people³⁴. The total fund for the programme is USD 118.5 million⁴⁵ from 2010-2016. CLP's carefully customised package of interventions includes:

1. Infrastructure development: Provision of all necessary infrastructural support to provide safe shelter, access to clean water, and proper sanitation facilities.
2. Livelihood development: Provision of income-generating assets such as beef cattle, dairy cattle, goat or sheep, rickshaw or rickshaw van, sewing machine, and other enterprise inputs
3. Social development: Provision of motivation sessions, awareness-raising, social mobilisation, education, and healthcare.
4. Enterprise development: Provision of different enterprise development trainings covering capacity building, business development, access to micro-insurance, vocational skills training etc.

Like other ultra-poverty programs, CLP provides a stipend for 18 months to participating households. In 2012, CLP introduced mobile money for these transfers in order to reduce the burden on field staff and enable its clients to save securely and conveniently. All CLP members are organised into savings groups. These groups are self-governed and create delivery mechanisms for both savings and small loans. The groups also receive livelihood training and vouchers with which to access CLP's health services.

Impact

An impact study conducted on the first phase of the CLP project (CLP-1) found positive results on the programme. CLP-1 which ran between 2004 and 2010 worked on the chars of the Jamuna River in the districts of Kurigram, Bogra, Gaibandha, Sirajgonj and Jamalpur. CLP-1 resulted a significant raise in income of 24.1% of 51,824 households, meaning at least 12,490 households, or 46,712 people have been lifted above the extreme poverty line³⁵.

CLP-2 began in 2010 and expanded the program into new areas. CLP-2 will run until 2016 with the aim of lifting 67,000 households out of extreme poverty³⁴.

Key Learnings from Bangladesh's Experience

With over a decade of coordinated, focused efforts to address ultra-poverty, Bangladesh has many lessons to offer others working on related issues worldwide. Here are a few of our key insights.

1. **Ensure strong targeting criteria and selection processes.** Correct targeting is the first step and phase and one of the most crucial elements to combat ultra-poverty. To ensure effective targeting,

frontline staff members must be well-oriented with the selection criteria, while village community leaders and members play a critical role in ensuring the most vulnerable are included.

2. **There is no “one size fits all” solution for ultra-poverty reduction.** Poverty is caused and sustained by a multitude of factors that extend beyond financial inclusion, health, education, and are unique in different contexts, ultra-poor programming must provide customised solutions that are contextualised to local needs and vulnerabilities. For example, given that the type of natural disasters faced in Bangladesh differ greatly from Nepal, so too must strategies against ultra-poverty. Even within countries, there may be importance regional, cultural, or urban/rural differences in vulnerabilities to account for in program development.
3. **Focus on sustainable graduation, not simply graduation.** Graduation simply means an exit of a household from the ultra-poverty threshold. It could be temporary and artificially caused by external support like cash transfers and technical support. However, sustainable graduation means that there is a strong probability that this group won't fall back under the ultra-poverty threshold again. The research BRAC's graduation model demonstrates that it is possible to catalyze a household's economic improvement and enable them to have the capability to sustain it independently. This also requires attention to the greater ecosystem: for example, graduates may benefit from financial services from microfinance institutions to make new investments in their businesses. One challenge facing ultra poverty programs in remote areas is the lack of mainstream NGO or public services in the area. Building systems that facilitate universal financial, social, and economic inclusion is the only sustainable way to eradicate extreme poverty in all areas.
4. **Work together.** A theme throughout the successes in ultra-poverty reduction has been the combined effort from the government, NGOs, donor agencies, and other civil society actors. By creating a supportive ecosystem of actors with different roles, resources, and strengths, Bangladesh has emerged as a boiling pot for lessons on, and successful solutions to extreme poverty that are being applied around the world. The level of direct community engagement is another notable success factor, demonstrating the power of poverty solutions that marry top-down approaches from government and donors, with bottom-up strategies through grassroots actors.

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